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CONSIDERATIONS RELATING TO THE PROPOSAL BY NORWAY

Document prepared by the International Bureau

I. BACKGROUND

1. It is recalled that, in 2007, the Assembly of the Madrid Union decided to give to the *ad hoc* Working Group on the Legal Development of the Madrid System (hereinafter referred to as “the Working Group”) an ongoing mandate to analyze issues relating to the further legal development of the Madrid system. Two sessions of the Working Group were planned for 2008. The second session – the present session – was to be devoted to discussing the issues raised by the delegations of Norway, in 2006, in a document entitled “Proposal by Norway” (document MM/LD/WG/2/9), and Japan, in 2007, in a document entitled “Contribution by Japan” (document MM/LD/WG/4/5), followed by document MM/LD/WG/4/5 Corr. and a proposal submitted informally by the Delegation of the Republic of Korea, also in 2007, entitled “Proposal for Improving the Correction System”. It is to be noted, however, that the Delegation of the Republic of Korea has since withdrawn its informal proposal, so that it is no longer under discussion.

2. It is also recalled that the Working Group ended its third (January 2007) session, with a request that the International Bureau begin to study the consequences of the proposal by Norway. In the meantime, in view of the present session, Norway has submitted a revised proposal (document MM/LD/WG/6/2) which, as explained therein, is reduced essentially to the following two issues:

- (a) the deletion of the requirement of a basic application or registration, and

(b) in a subsidiary manner, the possibility of designation of the holder's country of origin within the framework of the current system.

3. Furthermore, it is recalled that during the fifth session of the Working Group, held in May 2008, the Delegation of Japan, in explaining the problem of linguistic diversity underlying its own contribution, suggested that the suppression of the requirement of a basic mark, as raised in the proposal by Norway, might be the best solution. That conclusion is now clearly reached in the new contribution that Japan has tabled for the present session (document MM/LD/WG/6/3), although the document also strongly counsels caution in the consideration of such a fundamental change in the Madrid system.

4. The present paper by the International Bureau constitutes the first step in the requested study. It aims at facilitating the discussions of the Working Group on the issues contained in the revised proposal by Norway, by identifying questions, more than by seeking to provide answers. So as to follow the natural hierarchy in the issues raised, as apparent from above, the emphasis is put on the issue of the deletion of the requirement of a basic mark, with the issue of self-designation being commented upon less exhaustively, before the document ends on a number of further considerations.

II. THE REQUIREMENT OF A BASIC MARK AND ARGUMENTS EXPRESSED IN FAVOR OF ITS RECONSIDERATION

The Requirement of a Basic Mark in the Madrid System: Legal Background

5. The Madrid system is founded on the requirement of a *basic application* filed with the Office of origin or a *basic registration* recorded in the Office of origin. The mark that is the subject of such application or registration is often conveniently referred to as the "basic mark".

6. The requirement results from Article 1(2) of the Madrid Agreement Concerning the International Registration of Marks and Article 2(1) of the Madrid Protocol Relating to the Madrid Agreement¹. It is recalled that, under the Agreement, a "national"² of any of the Contracting Parties may file an international application for registration ("the international application") of his mark in *all* the other countries party to the Agreement, provided that he has already obtained the registration of said mark ("the basic registration") in the country of origin. Under the Protocol, where an application for the registration of a mark has been filed with the Office of a Contracting Party ("the basic application"), or where a mark has been

¹ Hereinafter referred to as "the Agreement" and "the Protocol", respectively. Similarly, the Common Regulations under the Madrid Agreement Concerning the International Registration of Marks and the Protocol Relating to that Agreement will be hereinafter referred to as "the Common Regulations".

² Under both the Agreement and the Protocol, those who have their domicile or possess a real and effective commercial or industrial establishment in the territory of a Contracting Party are assimilated to nationals of that Contracting Party.

registered by the Office of a Contracting Party (“the basic registration”), the person in whose name that application or that registration stands may, provided that person is a “national” of that Contracting Party, file an international application in respect of the said mark in the territory of the Contracting Parties.

7. The requirement of a basic mark implies a two-stage relationship between that mark and the international registration, which can be summarized as follows:

Relationship at the Filing Stage: Correspondence

8. The international application must be filed through the *Office of the country of origin* (as defined in Article 1(3) of the Agreement) or the *Office of origin* (referred to in Article 2(2) of the Protocol as “the Office with which the basic application was filed or by which the basic registration was made”). The Office of origin must certify that the particulars appearing in the international application correspond to the particulars appearing in the basic application or basic registration (Article 3(1) of the Agreement and of the Protocol).

9. In particular, pursuant to Rule 9(5)(d) of the Common Regulations, the Office of origin must certify that (i) the applicant is the same as the applicant named in the basic application or is the holder of the basic registration; (ii) the mark is the same as that in the basic application or basic registration; (iii) any indications, such as description of the mark, type of mark (three-dimensional mark, sound mark, etc.), mark consisting of a color or a combination of colors, appear also in the basic application or basic registration; (iv) if color is claimed as a distinctive feature of the mark, the same claim is included in the basic application or basic registration or, if color is claimed as a distinctive feature of the mark without having been claimed in the basic application or basic registration, the mark in the basic application or basic registration is in fact in the color or combination of colors claimed; (v) the goods and services indicated in the international application are covered by the list of goods and services in the basic application or basic registration (Rule 9(5)(d)(ii) to (vi) of the Common Regulations).

Relationship as from Registration: Dependency

10. For a period of five years from the date of the international registration, the protection resulting from the international registration remains dependent on the basic application or basic registration (Article 6(2) and (3) of the Agreement and of the Protocol). As stated in the *Guide to the International Registration of Marks under the Madrid Agreement and the Madrid Protocol*³, “the protection resulting from the international registration may no longer be invoked if, or to the extent that, the basic registration, or the registration resulting from the basic application is canceled, renounced, revoked, invalidated or has lapsed, or if the basic application is the subject of a final decision of rejection or is withdrawn, either within that five-year period or as a result of an action commenced within that period”. This is referred to as “ceasing of effect”. Pursuant to Article 6(4) of the Agreement and of the Protocol, the

³ Hereinafter referred to as “the Guide”. See paragraph 77.01 of Part B.II.

Office of origin must notify the International Bureau of a ceasing of effect. The Office is required also to notify the International Bureau of a division of a basic application or a merger of several basic applications that occurs during the period of dependency (Rule 23(1) of the Common Regulations).

11. A list of the provisions of the Agreement, the Protocol and the Common Regulations in which the notions of basic application or basic registration are used is provided in Annex I.

12. The Office of origin is thus involved in the two stages described above. On the other hand, the role that the Office of origin may play in the management of the international registration has become, under the current Common Regulations, generally limited, as holders are required to present through the Office of origin their requests for further recordings affecting an international registration only in marginal circumstances⁴.

The Trademark Registration Treaty: A First Attempt at a Base-Free International Registration System

Background

13. After several drafts and examination by three Committees of Experts and a number of consultant groups, a final text of the Trademark Registration Treaty (TRT) was signed on June 12, 1973, at a diplomatic conference held in Vienna⁵. Fifty States and 31 international organizations (governmental and non-governmental) were represented at the conference. The TRT remained open for signature until December 31, 1973, by which date a total of 14 countries had become signatories. Among these were Sweden, the United Kingdom and the United States of America, all major trading countries that were not party to the Madrid Agreement. The TRT eventually entered into force in 1980, with five Contracting States, namely, Burkina Faso, Congo, Gabon, the Soviet Union and Togo.

14. During the 11 years after the entry into force of the TRT, only two registrations were effected under the treaty. Both registrations were in the name of the same holder and both expired on August 11, 1991. The holder did not seek their renewal and at its seventh session in September/October 1991, the Assembly of the Union for the International Registration of Marks (the TRT Union) submitted to the Director General of WIPO a memorandum which proposed the freezing of the treaty. This proposal was accepted and adopted by the Assembly during the same session⁶.

⁴ Under Rule 24(2)(a)(i) and (ii), respectively, of the Common Regulations, the Office of origin must present to the International Bureau a subsequent designation where Rule 7(1) of the Common Regulations, as in force before October 4, 2001, applies – which is the case only where Sweden is the country of origin – or where any of the Contracting Parties is designated under the Agreement. Also, under Rule 25(1)(c), where a renunciation or cancellation affects any Contracting Party whose designation is governed by the Agreement, the request for the recording of such renunciation or cancellation *must* be presented by the “Office of the Contracting Party of the holder”, which would normally be the Office of origin.

⁵ Document TRT/DC 3 CU.

⁶ See, respectively, documents TRT/A/VII/1 – *Situation of the TRT Union – Memorandum to the Director General* and TRT/A/VII/2 – *Report adopted by the Assembly*. In the former document

[Footnote continued on next page]

15. Thus, whether it was because of some inherent defects, or because it was ahead of its time, it remains that the TRT was a failure. At any rate, its conception as a base-free system makes it a relevant precedent to consider and the history of its development should be recalled.

Objectives of the TRT

16. The Trademark Registration Treaty was intended to be more modern than the Madrid Agreement and to provide more advantages for trademark owners. It sought to avoid features of the Agreement which were seen as hindering the territorial growth of the international registration system⁷. At the heart of the discussions were the requirement in the Madrid system of a basic registration and the principle of dependency, the latter being seen as leading to possibly unjust results.

17. As indicated in document MM/I/2, *Questions for Possible Consideration by the Committee of Experts*, the need for a basic registration and the concept of dependency were seen as posing the following disadvantages for users of the system:

(a) If a mark had been refused registration in the country of origin, even though the ground for refusal may not be valid in the other Contracting States, there would be no possibility of filing internationally.

(b) Similarly, even if grounds for nullity had been confined only to the country of origin, protection would be terminated in all the Contracting States.

(c) Applicants of marks whose country of origin subjected the marks to a stringent examination were seen to be at a disadvantage compared with applicants whose country of origin had a less strict examination.

(d) Even if a mark holder had no intention of using a mark in the country of origin (as in the case of an export mark), the holder was obliged to have the mark registered in that country.

(e) In the case of an export mark, if use were compulsory in the country of origin, the holder of the mark would be obliged to use the mark in that country simply to avoid losing protection in the country of origin and, as a result, in all the other designated Contracting States.

[Footnote continued from previous page]

it was stated in paragraph 3 that it was “obvious that the TRT ... had not “taken off” and nothing indicates that it will ever”.

⁷ At the time of the adoption of the TRT in 1973, there were just 19 Contracting States to the Agreement, namely, Algeria, Austria, Belgium, Egypt, France, Germany, Hungary, Italy, Liechtenstein, Luxembourg, Monaco, Morocco, Netherlands, Portugal, Romania, San Marino, Spain, Switzerland and Viet Nam.

(f) The requirement of prior national registration involved additional formalities and increased costs.

(g) The proprietor was obliged to maintain two registrations. In the event of an assignment of the basic mark within the dependency period, the holder of the international registration would be exposed to risk, as he would no longer have control of the basic mark.

(h) Similarly, in the event of an assignment of the international registration independently of the basic mark, the assignee might lose protection in all the designated Contracting States if the assignor neglected to maintain protection in the country of origin during the dependency period.

(i) In countries of origin where examination of the mark was carried out, it was sometimes difficult to complete the examination in time for the application for international registration to reach the International Bureau within the six-month priority period from the date of the national filing.

Main Features of the Trademark Registration Treaty, as Adopted

18. The TRT was intended to establish a multilateral trademark arrangement, providing easier procedures for securing, administering and maintaining national trademark registration effects in other countries by the presentation of a single international application, leading to a single international registration recorded in a central international register. Like the Madrid system, an international registration would amount to central recording of a “bundle of national rights”, rather than a separate property right.

19. With some exceptions⁸, the substantive aspects of rights were to be regulated by each Contracting State according to its national law. The main features of the Treaty, insofar as they diverged from the provisions of the Madrid Agreement, were notably as follows:

Filing

20. A national or resident of a Contracting State could file *directly* with the International Bureau of WIPO an international application designating the States in which protection of the trademark was desired (Article 5(2)). However, the national law of any Contracting State could provide that international applications by residents of that State might be filed through the intermediary of the national office of such State (Article 5(3)⁹). In other words, unlike the Madrid system, there was no obligation to file through the intermediary of an Office of origin, as such.

⁸ See notably Article 19, which provided that non-use of the trademark during an initial period of three years counted from the filing date could not result in refusal or cancellation by any State.

⁹ Article 7(1) further provided that the date on which an application was so filed with the Office concerned would normally become its international registration date.

Basis

21. There was no requirement for the registration of a basic mark prior to an international filing. However, the national law of any Contracting State could provide that, where entitlement to file was derived through it, an international application could be filed only if the mark that was the subject of the international application was, at the time of the filing of that application, the subject of an application for registration in the national register of marks in that State, or already registered in the national register (Article 4(6)).

Territorial Scope

22. There was not any restriction upon the scope of Contracting States that could be designated. Therefore, the applicant's home State could be designated.

Adoption of the Madrid Protocol and Requirement of a Basic Mark: Current Context

23. The Madrid Protocol was adopted in 1989 – that is, two years before the decision was taken to freeze the TRT – with the aim of removing difficulties which had been seen as preventing certain countries from acceding to the Madrid Agreement. In that regard, if the TRT was a failure, the Protocol has been an undoubted success. At 76 on the date of the present document, its membership is well surpassing – and almost entirely absorbing, that of the Agreement¹⁰. It is also worth stressing that, following the repeal of the so-called “safeguard clause”, effective September 1, 2008, it is the Protocol, and no longer the Agreement, that applies in the mutual relations between Contracting Parties bound by both treaties. Thus, all indicators, including prospects of future accessions and simulations effected by the International Bureau, suggest that the Madrid system as a whole is becoming inexorably governed by one treaty only, namely the Protocol¹¹.

24. It is recalled that, in contrast to the Agreement, the Protocol introduced the possibility of filing an international application on the basis of an application with the Office of origin. The Protocol also set aside the principle of the “cascade” that applied under the Agreement, giving applicants more freedom in the selection of their country of origin. Taken independently or combined together, these features mitigate some of the problems raised in relation to the Madrid Agreement at the time the discussions for the TRT, in particular the risk of loss of priority rights (due, in particular, to an Office of origin conducting *ex officio* examination on both absolute and relative grounds).

¹⁰ Out of the total of 83 Contracting Parties in the Madrid system, 27 were party to the Protocol only while just seven were party to the Agreement only. On the date of release of this document, these numbers were expected to move up to 84 and 28, and down to six, respectively, as a result of the deposit of instruments of accession to the Protocol by Sao Tome and Principe and Bosnia-Herzegovina.

¹¹ For example, had the safeguard clause not applied, 95% of the 199,586 designations recorded in the International Register during the first eight months of 2008 would have been governed by the Protocol.

25. It is further recalled that, with a view to softening the inconveniences of the principle of dependency, the Protocol also introduced the possibility of transformation. More precisely, Article 9*quinquies* provides that in the event of cancellation of the international registration because of ceasing of effect – a risk exacerbated in a situation where a basic application is relied on – a designation may be “transformed” into national or regional applications in the respective Contracting Parties in which the international registration had effect, each benefiting from the date of the international registration and, where applicable, its priority date¹².

26. Nevertheless, transformation is not a panacea and the number of cases of ceasing of effect (total or partial) recorded each year, though still relatively low compared to the number of international registrations, is increasing steadily¹³.

27. Even more so, the costs, unwieldiness and constraints associated with the need to file two applications, remain a reality under the Protocol, as observed in the Revised Proposal by Norway. As the fact of a contribution by Japan on linguistic flexibility suggests, the constraints for exports marks – though already recognized at the time of the TRT – appear to be becoming even more acute as the Madrid system becomes gradually a truly worldwide system.

28. In the context of the Madrid system as it operates today, a discussion on the implications of deleting the requirement of a basic mark would therefore seem to have to focus primarily on the objectives of economy, simplicity and flexibility.

III. IMPLICATIONS OF THE DELETION OF THE REQUIREMENT OF A BASIC MARK

A Preliminary Issue: Options at the Filing Stage

29. A preliminary issue that ought to be addressed is that of the filing procedure. To what extent does a base-free international registration system necessarily presuppose direct filing with the International Bureau?

¹² Article 9 of the TRT provided for an analogous mechanism in case the International Bureau rejected an international application.

¹³ The number of ceasings of effect recorded in the International Register for the years 2000 to 2007 increased by 1229%, from 140 to 1,861. Although no strict correlation can be made between the two sets of figures, it is to be noted that, over the same period of time, the number of international registrations recorded in the International Register increased by 67% only, from 22,968 to 38,471. However, it is interesting to note that the proportion of these international registrations that were based on a basic application as opposed to a basic registration, has increased from 6%, in 2000, to 25%, in 2007. Moreover, amongst the 1,861 ceasings of effect recorded in 2007, 56% concerned international registrations based on an application, compared to 42% in 2000.

30. The precedent of the TRT would tend to indicate that one feature implies the other. Yet, it is worth noting that in the course of the discussions that led to its adoption, it was suggested that while the requirement of a prior national filing might be abandoned, the international application should still be required to be filed with the Office of the country of origin, which would make a limited examination based on grounds to be set out in the treaty¹⁴. However, it was noted that such a system would oblige an Office of origin to undertake two different types of examination and that, furthermore, the decision of some of the points which would be the subject of the “international” examination would depend of national law and local conceptions, so that the outcome would vary from country to country. In the end, the TRT, as adopted, was a direct filing system, with the further possibility for the national law of any Contracting State to provide that international applications by residents of that State might be filed through the intermediary of the national office of the said State, “so as to enable residents from countries at a distance from Geneva to file as promptly as those residing close to Geneva”¹⁵.

31. The arguments for or against indirect filing need to be reconsidered in light of today’s context and in view of the overall objective of simplicity. In particular, e-filing interfaces with databases of acceptable terms and linguistic equivalents are becoming increasingly common, fostering a gradual automation of trademark prosecution. Moreover, trademark registration procedures are perhaps more homogeneous today, owing to norm setting treaties such as TRIPS, the TLT and the Singapore Treaty. In due course, the findings of the forthcoming study on the possible introduction of filing languages in the Madrid system, recently authorized by the Madrid Assembly¹⁶, will also have to be taken into account.

32. At this stage of the current discussions, it is merely suggested that the Working Group should not unconsciously exclude the possibility that indirect filing might continue to be the normal procedure, even if the requirement for a basic mark were to be deleted. The question should rather be whether Offices of Contracting Parties should still have a role to play as “Offices of origin”, should the requirement for a basic mark be deleted, and if so, what that role should then be. Nevertheless, one should query whether the current role of Office of origin has not already been greatly watered down with the April 2002 amendments to the Common Regulations. In particular, as a result of this reform, holders can file direct with the International Bureau their requests for the recording of a limitation to the list of goods and services, i.e., without any control by the Office of origin¹⁷.

¹⁴ See document MM/1/7 – *Draft Report – Dependence or Independence of the International Registration*.

¹⁵ The quote is from Ladas, who adds: “the argument ... appears specious”. See *Patents, Trademarks and Related Rights*, paragraph 808. If specious at the time, the argument has lost almost entirely its value in today’s electronic world.

¹⁶ See document MM/A/40/2 – *Proposal for a Study on the Possible Introduction of Filing Languages in the Madrid System*, dated July 31, 2008.

¹⁷ Rule 25(1)(b). Furthermore, that recording will not be notified to the Office of origin (Rule 27(1)(a)).

Implications for the Contents and the Examination of an International Application

Prescribed Contents of an International Application and Examination Authority of the International Bureau

33. Would the deletion of the requirement of a basic mark lead to more elements and documents being filed as part of the international application to be examined by the International Bureau? It is proposed to consider this question firstly from the angle of the scope of the certification provided by the Office of origin, pursuant to Rule 9(5) of the Common Regulations, as the deletion of the requirement for a basic mark would naturally entail the disappearance of that certification.

Elements Falling Within the Scope of Certification

34. Reference is made to paragraphs 8 and 9, above, detailing the certification work currently performed by the Office of origin. In respect of that work, it is first to be observed that the only situation where certification involves some degree of original examination of the international application by the Office of origin is where color is claimed in that international application whilst it was not claimed in respect of the basic mark.

35. As to all the other elements concerned, the role of the Office of origin is to certify that the contents of the international application *correspond to that of the basic application or registration*. On the one hand, to the extent that the basic application or registration is a normal domestic application or registration, elements such as the nature of the mark, a description or a color claim, would already have been the subject of some examination; the international application thus indirectly benefits from that work. On the other hand, an electronic filing system can populate an international application with the previously captured yet unexamined data of its basic application, thereby achieving certification with little, if any, human intervention. As for the International Bureau, while it will endeavor to detect flagrant errors in the international application and raise them with the Office of origin (so as to avoid recording what would later require a correction), it has no clear legal criteria or the authority to challenge these elements, and thus does not examine them *per se*¹⁸.

36. The question, therefore, becomes what should happen to that part of “indirect” examination, should a basic mark no longer be required.

¹⁸ By contrast, despite the fact that the declaration provided by the Office of origin should certify that the international applicant is the same as the applicant named in the basic application or the holder of the basic registration, where indications allowing the identity of the applicant to be established are not provided, the International Bureau will raise an irregularity entailing the postponement of the date of the international registration.

Elements Falling Outside the Scope of Certification

37. In light of the above, it may be useful to recall that Rules 9(4) and (5), dealing with the contents of the international application, already provide for a number of important elements falling outside the scope of certification; yet, in respect of these, the International Bureau is not entrusted with a substantive examination responsibility.

38. For example, where the transliteration required under Rule 9(4)(a)(xii) is missing, the International Bureau will use its general authority under Rule 11(2) to raise an irregularity so as to obtain that compulsory element directly from the applicant. However, the International Bureau will not question the accuracy of a transliteration, as such.

39. Two more examples of a somewhat different nature ought to be discussed. The first concerns the entitlement of the applicant to file (Rule 9(5)(a) or (b) and (c)). In respect of this, the International Bureau will check that the appropriate indications are provided, and that there is no inconsistency between these and the indication of the country whose office is the Office of origin, especially where the “cascade” applies. The International Bureau will not, however, challenge the indications given, nor request supporting documents. The second example is that of a priority claim. In that respect, the International Bureau will check if the required indications are provided and, in particular, if the date of the earlier filing is within the six-month time limit. However, the International Bureau itself will not challenge the substance of the claim, nor request a supporting document.

40. As stated above, both entitlement and priority fall outside the scope of certification by the Office of origin. Nevertheless, the question is open as to whether the precondition of a basic mark does not lead Offices of designated Contracting Parties to assume that the legitimacy of the indications provided by the applicant in respect of these two elements is somehow checked by the Office of origin. This is relevant, in particular, with respect to the priority claim, as such claim should logically also be contained in the basic application.

41. The question therefore becomes whether, in the absence of an Office of origin, the International Bureau would be expected to conduct a more thorough examination as to some of these points. In that respect, it may be worth going back to the example of the TRT and to consider also the Hague Agreement Concerning the International Registration of Industrial Designs¹⁹.

Precedents of the TRT and of the Hague System

42. At the time of the discussions for the TRT, questions for consideration by the Committee of Experts included the issue as to whether, “in view of the fact that the international filing has to be published, the International Bureau should, at the same time, be authorized to carry out a brief examination of the mark, so that it may refuse certain filings

¹⁹ Hereinafter referred to as the “Hague system”.

which are obviously unacceptable in the contracting countries as a whole²⁰. Examples of marks that might be refused by the International Bureau were marks that, by their very nature, could not constitute a mark, or marks that were contrary to morality or public order, or contravened Article 6ter of the Paris Convention.

43. These suggestions, however, were simply not pursued. It was concluded that the International Bureau would examine the application as to form, and that matters of substance would, in principle, be left to the countries in which protection was applied for. This is in line with the role of the International Bureau as it then was under the Madrid Agreement, and now is under the Agreement and Protocol. Interestingly enough, though, the TRT did provide that where the International Bureau had declined an international application, the applicant could, within a period of two months, either file with the national office of any designated State, a petition requesting the International Bureau to proceed, in respect of that State, with the international registration, or, as an alternative, file an application for registration directly in the national register, preserving the date of filing of the international application²¹.

44. Devised from the beginning as a base-free, direct filing system, the Hague system does not specifically provide a role for Offices of origin. Despite this, the International Bureau is not entrusted, in the context of that system, with any greater examination authority in respect of elements such as entitlement or priority than under the Madrid system. When it comes to the issues that, in the Madrid system, are covered by the certification by the Office of origin, one would note that under the Hague system, there is simply no counterpart to that certification. For example, the identity of the applicant will not be questioned by the International Bureau and there are no criteria for the acceptability of a description. The International Bureau has the general authority to raise an irregularity where it finds that the application does not fulfill the applicable requirements; thus, when it comes to description, what “fulfills the applicable requirements” becomes a question of common sense. This is in line with the way the International Bureau exercises its general authority under Rule 11(2) of the Madrid Common Regulations when, for example, it seeks a new reproduction of the mark when that filed with the application was of a poor quality.

Review Mechanism and Transformation

45. Should examination by the International Bureau become more substantive than it is today and the International Bureau be granted the authority to turn down an application on specific grounds, the question arises as to whether a review mechanism ought to be introduced in the system. In this respect, one could think of an independent board, or of an alternative dispute resolution panel. These considerations are further developed below, in relation to central attack. One could also think of a provision similar to Article 9 of the TRT. As already noted, under that provision, where the International Bureau declined an international application the applicant could, within a period of two months, either file with the national office of any designated State, a petition requesting the International Bureau to proceed, in respect of that State, with the international registration, or, as an alternative, file an application directly for registration in the national register.

²⁰ See document MM/I/2.

²¹ See Article 9.

Correction of Irregularities Affecting an International Application

46. There are three distinct categories of irregularity affecting an international application, the remedying of which follows different rules. These are:

- irregularities with respect to classification (Rule 12(1));
- irregularities with respect to the indication of goods and services (Rule 13(1));
- irregularities “other than those concerning the classification of goods and services or their indication” (Rule 11).

47. The first two categories will involve the Office of origin. As to the third category, Rule 11(4) provides that the remedying of the following irregularities is the responsibility of the Office of origin:

- (a) application not presented on the correct official form, or not typed or otherwise printed, or not signed by the Office of origin;
- (b) in the case of an application sent to the International Bureau by facsimile, the original of the page bearing the mark has not been received;
- (c) where, on the face of the information contained in the application, the applicant does not appear to fulfill the conditions in Article 1(3) of the Agreement or Article 2(1) of the Protocol with regard to the Office of origin through which the application was filed;
- (d) one of the following elements is missing from the application:
 - indications allowing the identity of the applicant to be established and sufficient to contact him or his representative;
 - indications concerning the applicant’s connection with the Office of origin;
 - the date and the number of the basic registration or application;
 - a reproduction of the mark;
 - the list of goods and services;
 - an indication of the Contracting Parties designated;
 - the certification by the Office of origin.

48. It is axiomatic that the elimination of the requirement of a basic mark would eradicate the possibility of irregularities that relate to that basic mark – such as missing data about that mark, or the absence of the certification. As to the other irregularities, the responsibility for their correction would depend on whether that base-free system were devised as a direct filing system, or not. It should be observed that it is already the case under Rule 11(2) that certain

irregularities “other than those concerning the classification of goods and services or their indication” are to be remedied by the applicant. Thus, the choice of a direct filing system would present the advantage of a further simplification, as the responsibility for the correction of any irregularities would necessarily lie with a single interlocutor with the International Bureau, namely the applicant.

Implications on Grounds of Refusal Available to Offices of Designated Contracting Parties

49. Article 5(1) of the Protocol establishes the right for the Office of a designated Contracting Party to declare, in a notification of refusal, that protection resulting from an international registration cannot be granted. This provision further provides that “any such refusal can be based only on the grounds, which would apply, under the Paris Convention for the Protection of Industrial Property, in the case of a mark deposited direct with [that] Office (...)”²². This provision is usually understood to refer to the limited series of grounds of refusal listed under Article 6*quinquies*(B). However, as pursuant to the wording of paragraph (A)(1) of Article 6*quinquies*, this provision applies where the mark at issue has been *registered* in the country of origin, the concern has been raised that, if the requirement of a basic mark were eliminated, the benefit of the limitation in the list of possible grounds of refusal would be lost. On second thoughts, this concern may not be justified.

50. Obviously, the conditions laid out in paragraph (A)(1) of Article 6*quinquies* for the application of paragraph (B) are always met in respect of an international registration effected under the Agreement. Not only does the latter require a prior registration, but also, under both the Agreement and the Paris Convention, the country of origin is determined according to the same principle, that of the so-called “cascade”²³. Under the Protocol, the international registration may, however, be based on a mere application and, moreover, the country of origin may be freely chosen from among those in respect of which the applicant is entitled. Thus, under the Protocol, the holder may very well have his basic mark in another country than the one that would, for the purpose of Article 6*quinquies*, be his country of origin. In fact, he may have no registration in that latter country at all.

51. Article 5 of the Protocol thus cannot be understood as incorporating Article 6*quinquies* of the Paris Convention as such. It merely establishes, by reference, what grounds of refusals are available to the Offices of designated Contracting Parties, amongst which are the limited grounds listed under Article 6*quinquies*, as well as grounds resulting from the application of other provisions of the Paris Convention²⁴. Consequently, the deletion of the requirement of a basic mark could be envisaged without any necessary impact as to the scope of the grounds of refusal already available under Article 5.

²² The wording in Article 5 of the Agreement is almost identical.

²³ See Article 6*quinquies*(A)(2) of the Paris Convention.

²⁴ Notably, Articles 6*bis*, 6*ter* and 6*septies*, must be applied as well. See G.H.C. Bodenhausen, *Guide to the Application of the Paris Convention for the Protection of Industrial Property*, BIRPI, 1969, page 114, now WIPO publication No. 611. On the other hand, the international mark should not be refused on grounds not applicable to national filings.

52. On the other hand, it is worth recalling that Article 6*quinquies* only refers to the form of the mark itself, and not to the ancillary elements relating to that mark, for example its description, or a color claim. As indicated previously, at present, such elements fall within the scope of the certification by the Office of origin. Furthermore, Offices of designated Contracting Parties cannot base a refusal on such formalities. However, the elimination of the requirement of a basic mark would suppress that certification and, unless greater examination responsibility is imposed on the International Bureau as to such elements, it might be worth giving more flexibility to Offices of designated Contracting Parties in terms of their right to issue a refusal. In other words, a new balance may need to be struck.

Implications for Third Parties

53. Reference is made to paragraph 10, where the principle of dependency is explained. It is axiomatic that the elimination of the requirement of a basic mark would entail the disappearance of this principle. The first question, therefore, is whether this principle is a necessary feature of the Madrid system.

54. In this respect, it should be recalled that the suppression of the concept of dependency has already been envisaged in the history of the Madrid system. When the Madrid Agreement was originally adopted in 1891, dependency was perpetual. At the Nice Conference of 1957, it was argued that this principle was hardly compatible with the Paris Convention, which provides that “when a mark has been duly registered in the country of origin and then in one or more of the other countries of the Union, each of these national marks shall be regarded, from the date of its registration, as independent of the mark in the country of origin....²⁵”. It was thus proposed to delete the words in Article 6 on which rests this principle of dependency.

55. As reported in *The First Hundred Years of the Madrid Agreement*²⁶, “the proposal was, however, judged too radical in that it went from a situation of total dependence to one of total independence. In particular, it was considered [that] the single procedure made possible by the Madrid Agreement meant not only that there was one filing, a uniform duration, one renewal and one set of procedures for the transfer of the registration, but also that there was one procedure for attacking and bringing about the invalidation of an international registration. (...) The concern to preserve the benefits of the single procedure which in this context, has become known as the possibility of “central attack”, resulted in the adoption of the compromise of a dependence limited in time. The international registration would become independent after a period of five years from the date of the international registration”.

²⁵ Article 6D of the London Act, the equivalent of which, in the current (Stockholm) Act, is Article 6(3).

²⁶ WIPO publication No. 880, 1991, pages 45 and 46.

56. It may be observed, however, that the possibility of transformation, which was introduced under the Protocol with a view to softening (for the holder) the inconveniences of the principle of dependency in general, perhaps dilutes (for third parties) the interest of central-attack. In any event, to the extent that central-attack is still viewed as a useful feature of the system, the subsidiary question becomes, how to compensate the loss of this mechanism if the requirement of a basic mark were eliminated?

57. In the context of the development of the TRT, several alternatives to central attack were put forward, although in the end, none was retained and the TRT was adopted without any central mechanism to protect the interests of third parties. In particular, there were some proposals to entrust the International Bureau with the responsibility of screening applications with a view to detecting conflicting marks in the International Register, or any conflicting mark in general²⁷.

58. Another proposal – tabled by AIPPI – rather envisaged giving the “owners of a prior international registration the possibility to defend themselves in a simplified manner against identical or similar international registrations by other firms” by raising objections to new international registrations on account of their prior rights in simple opposition proceedings²⁸. That proposal further envisaged that any interested party should be able to oppose an international registration on the ground that it was effected by a person who lacked entitlement. However, in that respect, the proposal did not go as far as to indicate “whether and how certain proofs concerning the existence or non-existence of the necessary qualification should be requested either from the opposer or from the owner of the contested international registration”.

59. The proposal provided that the effect of decisions in successful proceedings “should be strictly limited to the formal cancellation of the international registration”. It was thus envisaged that the decision would have no effect as a legal precedent which would influence the situation if the applicant chose to assert his claims by means of a national application. On the contrary, the proposal clearly stated that the “transformation” mechanism foreseen in Article 9 of the TRT would become available as a result of such cancellation.

60. Finally, AIPPI’s proposal envisaged that the proceedings would take place before “an authority connected with WIPO but working independently and not subject to any instructions except on matters of business administration”. What was envisaged at the time seemed to be the establishment of a permanent board, but one could also think of the establishment of an alternative dispute resolution mechanism, relying on a pool of experts accredited by the International Bureau and whose decision would be binding on the latter.

²⁷ See in particular document TRT/I/8 – *Proposition submitted by the ICC delegation in considering Article 7 of the draft treaty*, TRT/WG/1/1 – *Proposal presented by the United Kingdom* and TRT/WG/1/2 – *Proposal presented by the Netherlands*.

²⁸ Document TRT/I/9 – *Tentative Suggestions for a System of Opposition Proceedings at WIPO as an Alternative to the Proposals Concerning Central Attack*.

Related Considerations

Priority right

61. Without the requirement for a basic mark, it is unlikely that there will exist a first Union filing either. The TRT provided that a regularly filed international application should be equivalent to a regular national filing, for the purposes of claiming the priority under the Paris Convention of a first application to register the same trademark (Article 28). Similarly, in the Hague system, there are provisions under each of the three Acts, establishing the value of the international registration as a first filing in the other countries of the Paris Union²⁹. It will have to be considered whether, under the Madrid system, the elimination of the requirement of a basic mark would entail the need for such a provision.

Database of Acceptable Terms for the List of Goods and Services

62. The International Bureau is currently working on the establishment of a database of acceptable terms, with a view to eradicating the risk of irregularities under Rules 12 and 13 of the Common Regulations. The database builds on the alphabetical list of the *International Classification of Goods and Services for the Purposes of the Registration of Marks under the Nice Agreement*, the daily flow of new terms accepted by the International Bureau in the course of its registration activities, as well as on the databases used by certain offices and with whom the International Bureau is cooperating. Despite this, there will still remain situations where the applicant would, for certain goods and services covered by his basic mark, be forced to use the terms included in the list associated with that mark instead of the equivalent accepted terms of the database. The elimination of the requirement of a basic mark would, however, allow a global database of acceptable terms to serve its goal in an optimal manner.

IV. SELF-DESIGNATION

63. “Self-designation” is the expression used to refer to the possibility that, with respect to a given international application or the registration resulting therefrom, the Contracting Party through which one derives his entitlement may also be a designated Contracting Party.

²⁹ Article 4(4) of the 1934 Act, in respect of which one may usefully refer to Bodenhausen’s Guide to the Application of the Paris Convention, *supra*, footnote 24, p. 39. Article 7(1) of the 1960 Act is less explicit. Article 6(2) of the Geneva Act, which, by virtue of Article 2, also extends to members of the World Trade Organization, is more explicit.

64. Article 3*bis* of the Protocol, second phrase, clearly prohibits the possibility for an international applicant, or the holder of an international registration, to designate the Contracting Party whose office is the Office of origin. The same principle applies under the Agreement, although there the prohibition is indirectly stated³⁰. Because of this feature, it is often said that self-designation is not allowed under the Madrid system.

65. Obviously, should the requirement of a basic mark be eliminated, this prohibition could, by the same token be lifted, inasmuch as there would no longer be an Office of origin. Alternatively, it could remain an optional feature of the system, made dependent upon a declaration by Contracting Parties, as under the Hague Agreement³¹.

66. More interesting, however, is the question as to whether the prohibition of self-designation could be lifted, whilst the requirement of a basic mark would be kept. Obviously, that could not be achieved without an amendment of Article 3*bis*. But, should the latter be envisaged, then at least two specific issues would require consideration.

67. The first issue concerns the examination of the international mark in the designated Contracting Party whose office had served as the Office of origin for that mark. In theory, simplified procedures only should apply, as the normal procedures would have already taken place in respect of the basic mark. In particular, the mark would already have been the subject of an examination of substance that the office in question normally carries out with respect to direct filings.

68. The second issue concerns replacement. It is recalled that Article 4*bis*(1) of the Agreement and of the Protocol provides that a mark that is the subject of a national or regional registration in the Office of a Contracting Party is, under certain conditions³², deemed to be replaced by an international registration of the same mark. Notably, replacement occurs in a designated Contracting Party provided that “the protection resulting from the international registration extends to the said Contracting Party under Article 3*bis*(1) or (2)”. Modifying this latter provision of the Protocol to allow self-designation would,

³⁰ This prohibition derives from the words “Nationals of any of the contracting countries may, in all the other countries, secure protection of their marks (...)”, contained in Article 1(2), first sentence.

³¹ See, in particular, Article 14(3) of the 1999 Act.

³² These conditions are made clear in the Protocol text. In the *Basic Proposal for the Madrid Protocol* submitted at the Conference of Madrid of 1989, the notes concerning Article 4*bis*(1) stated that “this provision – as well as paragraph (2) – is in essence the same as it is in the Stockholm Act but has been redrafted for greater clarity”. See document MM/DC/3, paragraph 133. Against this background, the position of the International Bureau is that the conditions under which replacement takes place are the same under the Agreement and the Protocol. See in particular the Guide, paragraph 87.01.

consequently, allow for the application of replacement in the country of origin³³, unless Article 4*bis* itself were also amended with a view to avoiding that consequence. In any event, the implications of replacement on the principle of dependency would need to be carefully considered.

V. FURTHER CONSIDERATIONS

69. If the Working Group wanted to consider further the implications of the elimination of the requirement of a basic mark, other aspects of the system could also be open to discussion.

Replacement

70. As suggested in the proposal by Norway, one of the issues is replacement. In that respect, it is to be noted that the TRT contained a rather elaborate provision establishing that if, at the date of international registration, the holder was also the holder of a national registration for the same mark and the same goods or services in any designated State, his rights under the TRT would be deemed to include all rights existing under the national registration. The provision also clearly established immunity against refusals and specified what happened following the expiration of the national registration. Unlike under the Madrid system, there was provision for the international applicant to make a declaration in the international application with respect to an earlier nationally registered mark, requiring that a certified copy be furnished. The TRT Regulations further specified the contents of that declaration, although it seems that they did not provide for a specific examination of the declaration by the International Bureau.

Designation-Specific Lists of Goods and Services

71. A broader issue that the Working Group might want to reflect upon, especially in light of the increasing automation of trademark systems, is the merit of introducing designation-specific lists. If feasible, this would give applicants and holders more flexibility in the use of the system as well as more legal certainty, and guarantee clearer information in general for the benefit of the broader trademark community. Finally, the deletion of the requirement for a basic mark would probably allow the Madrid system to evolve more easily to handle new types of marks, it being understood that the fundamental right would remain for Offices of Contracting Parties to refuse protection to something that does not correspond to the definition of a mark according to their legislation.

³³ However, as Article 4*bis*(1)(iii) requires that the extension take effect *after* the date of the national or regional registration”, replacement would not – as the text stands – occur if the self-designation is made in an international application filed on the same date as the basic application.

Freedom of Choice as to the Office of Origin

72. The Working Group may also want to consider other ways of introducing more flexibility in the system without going as far as eliminating the requirement of a basic mark. Thus, the notion of Office of origin could be revisited.

73. As indicated in paragraph 5, above, the Madrid system is founded on the requirement of a basic mark with the Office of origin. It is, however, a further requirement of the system that the applicant have the nationality of a Contracting Party (or the nationality of a member State of a Contracting Party), or that he have his domicile or possess a real and effective industrial or commercial establishment in the territory of a Contracting Party. The requirement of an “entitlement” to use the system results from Article 1(3) of the Agreement and Article 2(1) of the Protocol.

74. It should be noted that, as devised, the system links the two requirements together, so that it is in fact necessary that the applicant be entitled through a connection with the Contracting Party whose office is the Office of origin. In theory, however, the two requirements could be disconnected from one another. If so, the basic mark would not necessarily have to have been filed with the Contracting Party of entitlement of the applicant, but in any Contracting Party of the system, for example in a part of the globe where the applicant has a commercial interest, without possessing any commercial or industrial establishment.

75. To the extent that the current texts do not require the Office of origin to ascertain the legitimacy of the applicant’s assertions as to entitlement, the impact on the system should be minimal. In particular, as a basic mark would continue to be required, this should allow the whole content of the certification to continue to be provided. Moreover, the mechanism of central-attack could be preserved.

76. At the time of the TRT, however, it was felt that to adopt such a measure would result in certain countries, having a less strict examination procedure, running the risk of being bombarded with applications for registration and of having their registries cluttered with marks many of which would not be used in their territories.

Need for a Diplomatic Conference

77. The Working Group should not lose sight of the fact that the elimination of the requirement of a basic mark, the introduction of self-designation or any of the further or alternative considerations raised in this chapter, could not be developed unless a Diplomatic Conference for the revision of the Protocol were to take place.

78. The Working Group is invited to expand on the considerations above, with a view to further analyzing the implications of the proposal by Norway, as contained in document MM/LD/WG/6/2 and to indicate a course of action for future work in relation to that proposal.

[Annex follows]

ANNEX

List of Provisions Using the Expressions “Basic application” and “Basic registration”

Madrid Agreement
Basic registration
Art. 1(2)
Art. 3(1)
Art. 6(2)
Art. 6(3)

Madrid Protocol	
Basic application	Basic registration
Art. 2(1)	Art. 2(1)
Art. 2(1)(i)	Art. 2(1)(i)
Art. 2(1)(ii)	Art. 2(1)(ii)
Art. 2(2)	Art. 2(2)
Art. 3(1)	Art. 3(1)
Art. 3(1)(i)	Art. 3(1)(ii)
Art. 6(2)	Art. 6(2)
Art. 6(3)	Art. 6(3)
Art. 6(3)(i)	Art. 6(3)(ii)
Art. 6(3)(ii)	
Art. 6(3)(iii)	

Common Regulations	
Basic application	Basic registration
Rule 1(xiii)	Rule 1(xiv)
Rule 8(2)	Rule 8(1)
Rule 9(4)(a)(v)	Rule 8(2)
Rule 9(4)(a)(vii)	Rule 9(4)(a)(v)
Rule 9(4)(a)(vii <i>bis</i>)	Rule 9(4)(a)(vii)
Rule 9(4)(a)(viii)	Rule 9(4)(a)(vii <i>bis</i>)
Rule 9(4)(a)(ix)	Rule 9(4)(a)(viii)
Rule 9(4)(a)(x)	Rule 9(4)(a)(ix)
Rule 9(4)(a)(xi)	Rule 9(4)(a)(x)
Rule 9(5)(b)	Rule 9(4)(a)(xi)
Rule 9(5)(d)(ii)	Rule 9(5)(a)
Rule 9(5)(d)(iii)	Rule 9(5)(b)
Rule 9(5)(d)(iv)	Rule 9(5)(d)(ii)
Rule 9(5)(d)(v)	Rule 9(5)(d)(iii)
Rule 9(5)(d)(vi)	Rule 9(5)(d)(iv)
Rule 9(5)(e)	Rule 9(5)(d)(v)
Rule 11(4)(a)(vii)	Rule 9(5)(d)(vi)
Rule 17(2)(ii)	Rule 9(5)(e)

Common Regulations (cont'd)	
Basic application	Basic registration
Rule 22(1)(a)(iii)	Rule 11(4)(a)(vii)
Rule 23(1)	Rule 17(2)(ii)
Rule 23(1)(i)	Rule 22(1)(a)(iii)
Rule 23(3)	Rule 23(3)
Rule 24(3)(d)	Rule 36(vii)
Rule 36(vii)	

[End of Annex and of document]